Testimony
of the
California Mental Health Directors Association
before the
California Performance Review Commission
Health and Human Services
La Jolla, California
August 20, 2004

Good morning, members of the California Performance Review Commission. My name is Dan Souza, Director of Behavioral Health and Recovery Services for the County of Stanislaus. I am here today to provide testimony and comments on behalf of the California Mental Health Directors Association (CMHDA).

Given the breadth of the CPR Report, and the 5 minute limit to our testimony today, it is difficult to know where to start to analyze and comment on CPR recommendations that may affect county mental health programs and the clients we serve. Regardless of the structure of government at the state level, however, it is imperative to ensure that our public mental health system – which is predominantly managed by counties -- continues to value the important principles underlying the mental health system in California. These include:

- Consumer choice and self-determination in treatment is crucial;
- Recovery is possible and a goal for persons with mental illnesses;
- Prevention, early intervention, education and outreach are effective;
- Treatment works;
- Cultural competence in the delivery of mental health services is essential;
- Consumers and family members must be involved in policy development; and
- Stigma and discrimination have no place in our society.

We must ensure that our system continues to be based on availability and accessibility of a continuum of recovery-oriented, quality community-based treatment; focuses on meaningful outcomes and quality of life; interfaces meaningfully with other components of the health care and human services systems for the benefit of the clients we serve; protects individuals with mental illness from dangerous environments; and is accountable at all levels.

Given these overall philosophies, we have chosen in our few minutes here to comment only on those proposals or recommendations that we believe could directly impact the public mental health system as it is currently structured.

1. Recommendation HHS15: Merge the Department of Mental Health and the Department of Alcohol and Drug Programs into a new Center for Behavioral Health

From a purely philosophical perspective, we believe that combining the two Departments makes good sense. The reality is that a high percentage of the population served by community mental health programs has both serious mental illness and substance abuse disorders. Many county mental health and alcohol and drug programs have consolidated their departments in recognition of the need to provide more integrated services to their clients. However, they have also found that combining the departments has been much easier said than done, and that there are many barriers to overcome. Some cannot be overcome, frankly, without changes in both federal and state law. For example, federal confidentiality laws for alcohol and drug are more restrictive than for mental health. Simply combining departments does nothing to address those barriers that make it extremely difficult to effectively and cost-effectively serve this population.

It also does nothing to solve the serious under-funding that currently exists for both alcohol and drug programs and community mental health services. Consolidating the two programs without addressing this problem will not necessarily improve services. Persons with serious mental illness who cannot access community mental health services often end up in the criminal justice system or hospitals, both of which are more costly than providing prevention or early intervention services. The same goes for the significant population in California that has a serious drug or alcohol problem, for which funding is even more scarce. Until California recognizes the cost and policy implications of not addressing these issues, combining the two departments alone will likely not result in significant service delivery improvements.

Additionally, we believe it is imperative to ensure that if the departments are combined, the very distinct expertise necessary to operate each program and the funding streams related to them are not lost, and that any savings from expected administrative efficiencies that may result in such a consolidation should not be overestimated.

2. Recommendation HHS02: The Governor should convene a working group comprised of representatives of county governments, the Legislature, and the Administration and charge it to develop a realignment implementation plan for health and human services (HHS). The recommended elements of this realignment should include:

The proposal regarding state-county realignment of major programs, including IHSS, Child Welfare Services, medically indigent, and all remaining state general fund supported mental health programs, is something that counties as a whole – through the California State Association of Counties (CSAC) -- will need to

seriously evaluate. However, we do have some general comments to offer specific to the proposal to realign "all remaining state-funded mental health programs."

First, it is not clear in this proposal which "remaining state-funded mental health programs" would be realigned, and how much money would be dedicated to each. For example, the proposal mentions specifically the Medi-Cal specialty managed care program and EPSDT – federal entitlement programs -- which we assume would be included in the "state-funded mental health programs" to be realigned to counties. However, it does not mention the AB 3632 program, which is a federal education entitlement program that counties are currently required under state law to manage. Having full responsibility for one or both of these federal entitlement programs, without the ability to control either caseload growth or program requirements, would be extremely problematic.

Second, moving programs around without fixing some of the fundamental problems with the current system, such as mixing entitlement programs with non-entitlement programs, will not solve anything. In fact, this structural problem in our current realignment structure has resulted in today's serious under-funding of the public mental health system.

Finally, there must be a mechanism for funding to grow as costs, expectations and caseloads grow, under a new realignment system.

3. Recommendation HHS21: The Health and Human Services Agency, or its successor, should sponsor legislation consolidating licensing and certification functions affecting delivery of health care services.

Like many of the other proposals, this has the potential to improve services for certain populations (such as the dually diagnosed), but it depends on how it is implemented. If done right, it could result in staff responsible for different programs working more closely together on licensing issues that cross different populations, such as adults with serious mental illness in psychosocial rehabilitation facilities currently licensed by the Department of Social Services.

This also could be beneficial, if done right, with regard to licensing of facilities that serve persons with co-occurring alcohol and drug and mental disorders. Current licensing requirements make no sense in the provision of quality care to the dually diagnosed.

However, it would have to be thoughtfully done so that necessary expertise in different licensing categories is not lost. County mental health agencies generally feel that Department of Mental Health staff is much more responsive than other agencies with which they work (including DHS, DSS and ADP). We would not want to lose their responsiveness and expertise on licensing and other issues.

4. Recommendation HHS02: Create a new Center for Health Purchasing under a new Department of Health and Human Services

As with many of the other proposals for reorganizing state administrative agencies, we feel we don't have enough information to comment on whether the new Center for Health Purchasing would be beneficial to the many clients served by the agencies. In particular, one of the issues that is not clear – but that is of significant relevance to county mental health agencies, which serve as the "carved-out" Medi-Cal managed care Mental Health Plans -- is what would happen to the Short-Doyle Medi-Cal mental health carve out in this reorganization? Would it remain with the new "Center for Behavioral Health," or with the new "Center for Health Purchasing?"

We feel strongly that responsibility for state oversight of the Medi-Cal mental health carve-out must remain with DMH (or the new Center for Behavioral Health). The program is complex and requires specific expertise at the state level. CMHDA and its member counties have a good working relationship with current state DMH staff, and find DMH to be generally much more responsive than other state agencies with which we do business.

5. Recommendation HHS17: The Governor should work with the Legislature to eliminate the two remaining city level mental health programs.

CMHDA has not taken a position on this proposal. However, we would urge the Commission to carefully consider what is in the best interests of the clients being served by city programs before taking action on this recommendation.

Thank you again for the opportunity to share a few of our preliminary thoughts about the CPR Report. I would be happy to answer any questions.